

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance  
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR\_RCP\_pt01a
- 97hrAC-EdR\_RCP\_pt01b
- 97hrAC-EdR\_RCP\_pt02

- Appointments ... Appt
- 
- Clearinghouse Rules ... CRule
- 
- Committee Hearings ... CH
- 
- Committee Reports ... CR
- 
- Executive Sessions ... ES
- 
- Hearing Records ... HR
- 
- Miscellaneous ... Misc
- 97hr\_JC-Fi\_Misc\_Sept 24,1998\_pt02
- Record of Comm. Proceedings ... RCP
-

Sept. 24 1998

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## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

*Litsch*  
*266-9820*

August 12, 1998

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director *Tony Meron*

SUBJECT: Request Under Sections 16.515/16.505(2): Department of Employment Relations Training Activities

The Department of Administration (DOA) has approved a request under ss. 16.515/16.505(2) of the statutes from the Department of Employment Relations (DER). The approved request would provide increased expenditure authority of \$149,300 PR in 1998-99 and authorize 1.0 PR one-year project position under DER's employe development and training services appropriation [s. 20.512(1)(jm) of the statutes]. The one-year project position and associated increased expenditure authority (one-time funding of \$65,400 PR in 1998-99) would be used to direct the development and implementation of a strategic plan for DER's statewide training programs. The remaining increased expenditure authority (ongoing funding of \$83,900 PR in 1998-99) would support costs associated primarily with a projected higher number of training course offerings during the year. Currently, DER's s. 20.512(1)(jm) training services appropriation has an authorized expenditure level of \$342,300 PR in 1998-99. A total of 3.0 PR positions is currently authorized under the appropriation.

Supplementations to agencies' program revenue accounts may be authorized where it is demonstrated that: (1) an emergency exists; (2) no funds are available; and (3) the purpose for which the supplementation is requested has been authorized or directed by the Legislature. As provided under provision of ss. 16.515/16.505(2) of the statutes, the Committee's 14-working day review period runs through August 19, 1998. This request will stand approved on August 20, 1998, unless the Committee notifies DOA that it wishes to meet formally on the request.

### BACKGROUND

The employe development and training services appropriation currently supports two principal employe development and assistance functions in DER: (1) the Office of Employe

2 29/14

functions; (3) DER and the proposed training council should explore the development of training programs to provide core basic skills to supervisors, managers and executives; and (4) while DER should coordinate the provision of these training programs, the actual training itself should be provided by other agencies and organizations.

At the time, DER had not completed its review of these and other recommendations of the Commission to determine what, if any, changes should be incorporated into its current training functions. Nor had the Legislature addressed any of the policy or priority changes proposed by the Commission. In light of these circumstances and the continuing funding concerns associated with the training function, the Committee included a session law provision requesting that the Joint Legislative Audit Committee direct the Legislative Audit Bureau to conduct a financial and performance evaluation audit of DER training activities. Specifically, the audit would have addressed the following: (1) whether DER should continue to have any role in the direct provision of training courses; (2) what DER's role should be in employee training and whether its current statutory requirements in this area should be modified; (3) whether continued staffing should be provided in DER for training activities; and (4) how any such training functions might be made reliably self-supporting. The audit was to be submitted by September 1, 1998, so that the Legislature could use the audit findings in making funding decisions for the 1999-2001 biennial budget.

This financial and performance evaluation audit provision was subsequently item vetoed by the Governor.

## SUMMARY OF REQUEST

Under DER's s. 16.515/16.505(2) request, as recommended by DOA, increased expenditure authority is requested in 1998-99 for the following purposes.

**Project Position Funding.** The first component of DER's request is for increased one-time expenditure authority of \$65,400 PR would be provided in 1998-99 and 1.0 PR one-year project position would be authorized to enable DER to undertake the development and implementation of a "Strategic Plan" for the agency's statewide training programs. The requested increased expenditure authority would support approximately 10 months of salary and fringe benefits (\$63,900 PR) and associated supplies and services (\$1,500 PR) of what the agency describes as "a high-level project position." Under DER's request, additional one-time expenditure authority of \$11,600 PR in 1999-2000 would also be required to support the remaining two months of salary and fringe benefits funding for this position. However, any such increased one-time expenditure authority for the 1999-2000 fiscal year, if actually required, would have to be acted on by the Committee during the next fiscal biennium.

Funding in the amount of \$60,000 PR to support the position would not come from increased course revenues but would instead be derived from three, separate one-time \$20,000

**Requested Increased Base Building  
Expenditure Authority for Training Activities in 1998-99**

<u>Activity</u>	<u>Current Budget</u>	<u>Proposed Expenditure Authority</u>	<u>Net Increase</u>
OEDT Training	\$133,700	\$168,900	\$35,200
State Employment Options Program	168,800	188,800	20,000
Advanced Labor Management Training	30,000	45,000	15,000
Summer Affirmative Action Intern Training	800	2,500	1,700
Merit Recruitment and Selection Training	4,000	5,000	1,000
Classification and Compensation Training	-0-	1,000	1,000
Special Projects Training	<u>5,000</u>	<u>15,000</u>	<u>10,000</u>
Totals	\$342,300	\$426,200	\$83,900

The additional expenditure authority requested for the OEDT training component would apparently be utilized to employ LTE staff to provide general class registration, course materials preparation and billing activities. The additional expenditure authority requested for the State Employment Options program component is associated with a higher level of contract funding provided for 1998-99 under the Department of Workforce Development's contract with DER for the operation of the program. All of the other training activities for which increased expenditure authority is being requested are projected by DER to experience future demand. For the just concluded 1997-98 fiscal year, the total expenditure authority for the training appropriation was also \$342,300 PR. Total expenditures for all training activities funded from the appropriation were \$313,100 PR. Total training program revenues received in 1997-98 amounted to \$385,400, of which \$167,300 was attributable to the State Employment Options program contract.

If you have any questions about this request, please contact this office.

BL/dls

# STATE OF WISCONSIN

SENATE CHAIR  
**TIMOTHY WEEDEN**

Room 203, 1 East Main Street  
P.O. Box 7882  
Madison, WI 53703  
Phone: 266-2253



ASSEMBLY CHAIR  
**JOHN GARD**

315 North, State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: 266-2343

## JOINT COMMITTEE ON FINANCE

August 18, 1998

Mr. Mark Bugher, Secretary  
Department of Administration  
101 E. Wilson Street, 10<sup>th</sup> Floor  
Madison, WI 53707

Dear Secretary Bugher:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, dated July 29, 1998, pursuant to s. 16.505(2), Stats., pertaining to requests from the Department of Health and Family Services and the University of Wisconsin System.

Your request recommended to extend two FTE PR-S project positions in the Department of Health and Family Services (DHFS) for two years, from February 10, 1999, to February 10, 2001. These project positions are funded from a DHFS appropriation [20.435(8)(kx)] that receives revenue from the Department of Workforce Development (DWD).

Your request indicates that DWD will propose to transfer these positions to DWD and convert them to permanent status in the 1999-2001 biennial budget process. We believe that an extension of one year will be sufficient to allow the positions to continue until the biennial budget is approved. If these positions are not extended or made permanent during the biennial budget, and an additional extension is needed, a subsequent request may be submitted to the Committee.

Therefore, we approve your request to extend the project positions, but are limiting the extension to one year only, to February 10, 2000.

Unless you notify us by September 1, 1998, that you wish us to schedule a meeting of the Committee to consider the original request for an extension of the project positions for two years, we will consider the request approved with the extension of the project positions limited to one year.

As to the request for the University of Wisconsin System, an objection has been raised, and therefore, a meeting will be scheduled to consider it.

Sincerely,



TIM WEEDEN  
Senate Chair



JOHN GARD  
Assembly Chair

TW/JG/dh

cc: Members, Joint Committee on Finance  
Vicky LaBelle, Department of Administration  
Secretary Joe Lekan, Health and Family Services  
Marcia W. Bromberg, University of Wisconsin System



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847

August 19, 1998

TO: Senator Tim Weeden, Senate Chair  
Representative John Gard, Assembly Chair  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Gubernatorial Vetoes Under s. 13.10 of the Statutes

In response to your inquiry, I am providing information describing: (1) the Governor's veto authority over Joint Committee on Finance actions adopted pursuant to the Committee's s. 13.10 approval authority; and (2) the statutory process which is available to the Committee to respond to a gubernatorial veto.

Actions of the Committee under its s. 13.10 authority may be approved in whole or in part by the Governor. If the Governor objects to a portion of the Committee's action, he is then required to inform the Committee of his action and to return that item to the Committee for its reconsideration.

The Co-chairs of the Committee are then required to call a meeting or to conduct a mail ballot within 15 working days after the receipt of the Governor's veto message. If an absolute two-thirds (11) of the 16 Committee members (rather than two-thirds of the Committee members present and voting) vote to sustain the Committee's original action, the Governor's veto is overridden. The specific language which governs this situation is found under s. 13.10(4) of the statutes.

On July 30, 1998, the Committee met under s. 13.10 to consider the Department of Transportation's plan for allocating additional 1998 federal highway aid. The Committee voted to approve the plan, but also voted to reduce the 1998-99 major highway development revenue bond appropriation by \$10,000,000 SEG-S.

The final minutes of the Committee's meeting were prepared and signed by the Committee's Secretary on August 3, 1998. They were then signed by the presiding Co-chair of the Committee and were forwarded to the Governor for his approval. On August 13, 1998, Governor Thompson signed the minutes, approving the Committee's actions, but in so doing, vetoed the Committee's action which reduced funding for the major highway development program by \$10,000,000 SEG-S. The Governor's objection was received by the Committee on August 18, 1998.



# STATE OF WISCONSIN

SENATE CHAIR  
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## JOINT COMMITTEE ON FINANCE

August 19, 1998

TO: Members  
Joint Committee on Finance

FROM: Senator Tim Weeden  
Representative John Gard  
Co-Chairs, Joint Committee on Finance

SUBJECT: Mail Ballot Addressing Gubernatorial Partial Veto of Certain Action Taken at the Committee's July 30, 1998, Meeting Under S. 13.10

On July 30, 1998, the Joint Committee on Finance met under s. 13.10 to consider several state agency requests. Among those items was the Department of Transportation's plan for allocating additional 1998 federal aid (Agenda Item D). In addition to the Committee's action approving this allocation plan, the Committee voted to reduce the 1998-99 major highway development revenue bond appropriation by \$10,000,000 SEG-S.

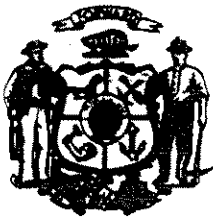
On August 13, 1998, Governor Thompson signed the minutes of the July 30, 1998, meeting approving the Committee's action adopting the allocation plan. However, in so doing, the Governor vetoed the provision to reduce the 1998-99 major highway development revenue bond appropriation by \$10,000,000 SEG-S. The Governor's objection was received by the Committee on August 18, 1998.

Attached to this memorandum is a copy of the Governor's veto message, that portion of the minutes which was vetoed, and the signature page of the minutes of the July 30, 1998, meeting.

Pursuant to s. 13.10(4) of the statutes, we are conducting a mail ballot to determine if the Committee's July 30, 1998, action on this matter should be upheld, regardless of the Governor's veto.

Please indicate your vote on this question as set forth on the accompanying ballot and return it to our offices by noon on Wednesday, August 26, 1998.

Attachments  
Enclosure



**TOMMY G. THOMPSON**

**Governor  
State of Wisconsin**

August 13, 1998

The Honorable Timothy Weeden, Co-Chair  
The Honorable John Gard, Co-Chair  
Members, Joint Committee on Finance  
119 Martin Luther King Jr. Blvd.  
P.O. Box 7882  
Madison, WI 53707-7882

Dear Senator Weeden, Representative Gard and Members:

Attached are the signed minutes of the July 30, 1998 sec. 13.10, Stats., meeting.

Pursuant to sec. 13.10(4), Stats., I am vetoing one of the Committee's actions under Item I of the minutes.

Regarding Item I, the Joint Committee on Finance allocated \$57,300,000 of additional federal highway aid among 1997-98 appropriations as follows: \$34,380,000 FED for state highway rehabilitation, \$5,730,000 FED for major highway development, and \$17,190,000 FED for local transportation facilities improvement. In addition, the Committee reduced the following 1997-98 appropriations to eliminate the projected transportation fund deficit: \$10,400,000 SEG from state highway rehabilitation and \$1,000,000 SEG from local bridge improvement. The Committee also reduced the 1998-99 major highway development revenue bond appropriation by \$10,000,000 SEG-S.

I am vetoing the deletion of \$10,000,000 SEG-S in 1998-99 from the major highway development revenue bond appropriation because eliminating these funds, in essence, prejudices the use of a portion of any additional 1998-99 federal funds outside the context of the 1998-99 federal transportation funding plan. Although I support reducing the level of bonding for the major highway program (the 1997-99 Governor's budget allocated \$35,000,000 in additional federal funding to reduce bonding for the major highway program), any reduction in bonding must be viewed in the context of the 1998-99 federal transportation funding plan and the 1999-01 biennial budget.

Sincerely,

  
TOMMY G. THOMPSON  
Governor

TGT/ss



# THE STATE OF WISCONSIN

SENATE CHAIR  
TIMOTHY WEEDEN

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## JOINT COMMITTEE ON FINANCE

Minutes of the Special Meeting Under s.13.10

July 30, 1998

Co-chair Weeden presided and called the meeting to order at 1:35 p.m.

Present: Senators Weeden, Farrow, Cowles, Panzer, Schultz, Rosenzweig, Burke, Decker  
Representatives Gard, Ourada, Harsdorf, Porter, Kaufert, Linton, Coggs

Absent: Representative Albers

### I. Department of Transportation

Moved by Representative Gard and seconded by Senator Weeden to approve the Department's plan for allocating \$57.3 million of additional federal highway aid among 1997-98 appropriations as follows: (a) \$34,380,000 FED for state highway rehabilitation; (b) \$5,730,000 FED for major highway development; and (c) \$17,190,000 FED for local transportation facilities improvement.

Ayes, 13; Noes, 2 [Burke, Coggs]; Absent, 1 [Albers]

Moved by Senator Burke and seconded by Senator Decker to increase 1998-99 federal appropriations as follows: (a) \$375,000 FED for transportation enhancements activities; (b) \$558,000 FED for congestion mitigation and air quality improvement; and (c) \$184,900 FED for railroad crossing improvement. In addition, require DOT to increase the 1998-99 state highway rehabilitation FED appropriation by an amount equal to the amount by which the state's 1998 federal aid exceeds \$403,417,900.

Ayes, 7; Noes, 8 [Weeden, Panzer, Schultz, Gard, Ourada, Harsdorf, Kaufert, Linton]; Absent, 1 [Albers]

Moved by Representative Coggs and seconded by Senator Decker to increase the 1998-99 state highway development FED appropriation by \$17,190,000.

Ayes, 9; Noes, 6 [Schultz, Gard, Ourada, Porter, Kaufert, Linton]; Absent, 1 [Albers]

  
Voted  
in Part

Moved by Senator Burke and seconded by Representative Coggs to require DOT to facilitate the design and other preparatory work on the 6<sup>th</sup> Street Bridge in Milwaukee so that the major contracts for the project can be let by November, 1999.

Ayes, 5; Noes, 10 [Weeden, Farrow, Cowles, Panzer, Schultz, Gard, Ourada, Harsdorf, Porter, Kaufert], Absent, 1 [Albers]

Moved by Representative Gard and seconded by Representative Ourada to approve the Department's plan for reducing 1997-98 appropriations in order to eliminate the projected transportation fund deficit as follows: (a) -\$10,400,000 SEG from state highway rehabilitation; and (b) -\$1,000,000 SEG from local bridge improvement.

Ayes, 15; Noes, 0; Absent, 1 [Albers]

II. Department of Administration

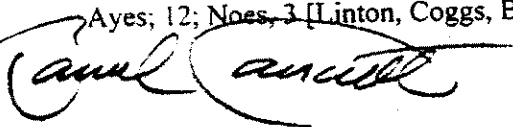
Moved by Senator Weeden and seconded by Representative Gard to approve the Chapter 20 appropriations schedules and summaries for 1997-99, as submitted by the Department of Administration and the Legislative Fiscal Bureau, to be printed in the next edition of the state statutes.

Ayes, 14; Noes, 1 [Cowles]; Absent, 1 [Albers]

III. Department of Corrections

Moved by Senator Weeden and seconded by Representative Gard to authorize the utilization of the existing contract with the federal Bureau of Prisons for the housing of up to 120 female offenders at the Alderson, West Virginia facility.

Ayes, 12; Noes, 3 [Linton, Coggs, Burke]; Absent 1 [Albers]

  
Daniel Caucutt, Secretary

Date: August 3, 1998

  
Tim Weeden, Co-Chair

Date: \_\_\_\_\_

  
Tommy G. Thompson, Governor

Date: August 13, 1998

**BALLOT**

Shall the July 30, 1998, action of the Joint Committee on Finance on Agenda Item I stipulating a reduction of \$10,000,000 SEG-S in the 1998-99 major highway development revenue bond appropriation be upheld, notwithstanding the objection of the Governor?

X YES

       NO

Jim Weader

Signature

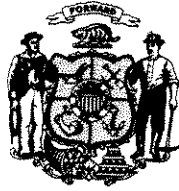
8-19-98

Date

# STATE OF WISCONSIN

SENATE CHAIR  
**TIMOTHY WEEDEN**

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## JOINT COMMITTEE ON FINANCE

August 19, 1998

Mr. Mark Bugher, Secretary  
Department of Administration  
101 E. Wilson Street, 10<sup>th</sup> Floor  
Madison, WI 53707

Dear Secretary Bugher:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, dated July 30, 1998, pursuant to s. 16.515/.505(2), Stats., pertaining to a request from the Department of Employment Relations.

An objection has been raised, and therefore, a meeting will be scheduled to consider it.

Sincerely,

Handwritten signature of Tim Weeden in black ink.

TIM WEEDEN  
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD  
Assembly Chair

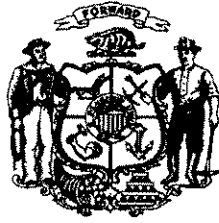
TW/JG/dh

cc: Members, Joint Committee on Finance  
Vicky LaBelle, Department of Administration  
Jon Litscher, Department of Employment Relations

# THE STATE OF WISCONSIN

SENATE CHAIR  
**TIM WEEDEN**

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## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Tim Weeden  
Representative John Gard  
Co-Chairs, Joint Committee on Finance

Date: July 30, 1998

Re: s. 16.515/16.505(2) Stats. Request

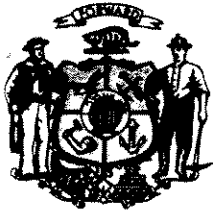
Attached is a copy of a request from the Department of Administration, dated July 30, 1998, pursuant to s. 16.515/16.505(2), Stats., pertaining to a request from the Department of Employment Relations.

Please review the material and notify **Senator Weeden** or **Representative Gard** no later than **Tuesday, August 18, 1998**, if you have any concerns about the request or if you would like to meet formally to consider it.

Also, please contact us if you need further information.

Attachment

TW:JG:dh



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

Mailing Address:  
Post Office Box 7864  
Madison, WI 53707-7864



**Date:** July 30, 1998

**To:** The Honorable Timothy Weeden, Co-Chair  
Joint Committee on Finance

JUL 30 1998

The Honorable John Gard, Co-Chair  
Joint Committee on Finance

**From:** Mark D. Bugher, Secretary  
Department of Administration

**Subject:** S. 16.515/16.505(2) Requests

Enclosed are requests that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1997-98</u>		<u>1998-99</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DER 20.512(1)(jm)	Departmental Training Activities			\$149,300*	1.00**

\* Ongoing spending authority of \$83,900.

\*\* Project position authority from 8/1/98 to 7/31/99.

As provided in s. 16.515, the requests will be approved on August 20, 1998, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Vicky LaBelle at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments





STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

Mailing Address:  
Post Office Box 7864  
Madison, WI 53707-7864



**Date:** July 27, 1998

**To:** Mark D. Bugher, Secretary  
Department of Administration

**From:** Dennis Presser  
State Budget Office

**Subject:** Request Under 16.505/515 From the Department of Employment Relations For increased spending authority and authority for one (1.0 FTE) project position for a period of one year.

**REQUEST:**

The Department of Employment Relations (DER) requests an increase of \$149,300 PR in spending authority and 1.0 FTE one year project position in FY98 in the appropriation under s.20.512(1)(jm) for employe development and training services. Of this amount, \$83,900 PRO is an annualized, ongoing increase in spending authority to support departmental training activities.

**REVENUE SOURCES FOR APPROPRIATION(S):**

Revenues for this appropriation are fees charged to state agencies and local units of government whose employees take any of the courses offered through the Office of Employee Development and Training (OEDT) or a division within the department.

**BACKGROUND:**

Section 230.046(10), Wis. Stats., requires the department to coordinate state-sponsored employe development and training programs with state agency appointing authorities and authorizes the department to conduct those programs. The department may offer employe development and training programs to local units of government. The department is also authorized to charge fees to recover the costs of these programs. Most revenues come from state agencies.

The Governor's 1997-99 budget recommendations included a proposal to convert funding for .5 FTE from PR to GPR. This was deleted by the Joint Committee on Finance. Part of the rationale for the funding conversion was a decline in program revenue collections, which fell from \$195,950 PR in FY94 to \$129,856 in FY96. In addition, the Governor recommended reducing spending authority for employe development and training by \$15,800 PR annually. The program was further reduced by \$43,900 PR and 1.25 FTE's by the Legislature. In its budget request the department did not offer a business plan demonstrating how the program would remain solvent at existing spending levels. The Legislature included a session law

Mark D. Bugher, Secretary  
July 27, 1998  
Page 2

directing the Legislative Audit Bureau to conduct a financial and performance evaluation audit and the Governor vetoed the provision.

**ANALYSIS:**

Since the passage of 1997 Wisconsin Act 27 DER cites a change in circumstances which warrant reconsideration of the staffing level and spending authority for the training and development programs. Key among these are expressed demands for an organized approach to state training activities, backed up by agreements from three agencies to share the costs of the project position. In addition, the department has formulated responses to the recommendations of the Governor's Commission on Reform of the Human Resource System (Commission).

The project position would direct the development and implementation of a strategic plan for the department's statewide training program. The Commission's report contained several recommendations regarding state training efforts that would be addressed:

- The department should provide centralized coordination of statewide employee training.
- The department should create and encourage participation in a State Agency Training Council to advise the Secretary of DER about human resource training needs of state agencies and to develop standards for training programs. The Council should also explore consolidation of training programs and more efficient use of resources.
- The department should identify core skills needed by supervisors, managers and executives and develop training programs to address those skills.
- The department should develop an advanced manager/supervisor training program on the latest trends in the human resources field and an employee orientation program for new hires.
- The State Agency Training Council should create a program of leadership training regarding conflict resolution, consensus problem solving and team building.
- The department should provide consultation and technical assistance to small agencies in areas such as needs assessment, referrals to other agencies, and evaluation.

DER concludes that these recommendations cannot be acted upon without additional resources and personnel.

Ongoing Chapter 20 spending authority for the training appropriation is \$342,300 PR annually in the current biennium. Revenues projected for FY98 are \$367,900. Including the cost reimbursement proposal for the project position, revenues in FY99 are estimated to be \$522,000 (See Attachment in agency's request).

The department believes the \$83,900 increase in ongoing PR spending authority can be funded through fees charged for OEDT training courses or other services provided by the department.

Mark D. Bugher, Secretary  
July 27, 1998  
Page 3

This request can be broken into the following spending categories:

<b>Spending Authority</b>	<b>FY99</b>	<b>FY00</b>
<b>Salary (Project position)</b>	\$47,200 (one-time)	\$8,600 (one-time)
<b>Fringe</b>	16,700 (one-time)	3,000 (one-time)
<b>Supplies and Services</b>	1,500 (one-time)	0
<b>OEDT</b>	35,200 (ongoing)	35,200 (ongoing)
<b>State Employment Options</b>	20,000 (ongoing)	20,000 (ongoing)
<b>Advanced Labor Management</b>	15,000 (ongoing)	15,000 (ongoing)
<b>Summer Affirmative Action Intern Program seminar</b>	1,700 (ongoing)	1,700 (ongoing)
<b>DMRS Recruitment &amp; Selection training</b>	1,000 (ongoing)	1,000 (ongoing)
<b>Classification &amp; Compensation training</b>	1,000 (ongoing)	1,000 (ongoing)
<b>Special Projects</b>	10,000 (ongoing)	10,000 (ongoing)
<b>Total</b>	<b>\$149,300</b>	<b>\$95,500</b>

DER includes in its request projected financial statements containing costs and revenues associated with each of its training activities. The FY00 ending balance for the appropriation, assuming the requested spending authority above, is \$127,000.

**RECOMMENDATION:**

Approve the request.

# State of Wisconsin

Tommy G. Thompson  
Governor

Jon E. Litscher  
Secretary



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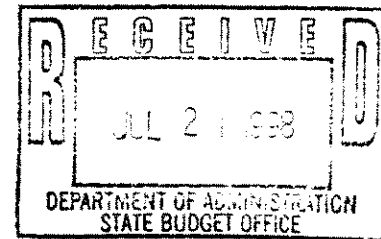
137 East Wilson Street  
P.O. Box 7855  
Madison, WI 53707-7855  
DENNIS  
PRESSER

## DEPARTMENT OF EMPLOYMENT RELATIONS

DATE: July 21, 1998

TO: Richard G. Chandler  
State Budget Director  
Department of Administration

FROM: Jon E. Litscher  
Secretary



SUBJECT: S 16.505 and 16.515 Request for Employee Development and Training Services  
Appropriation

### REQUEST

The Department of Employment Relations (DER) requests approval under ss. 16.505 and 16.515, Wis. Stats. for the following additional position and spending authority for Fiscal Year 1998-99:

- Authorization of 1.00 PRO FTE project position for the Office of Employee Development and Training (OEDT) for a period of one year.
- An increase of \$160,900 PRO in spending authority for Employee Development and Training services under appropriation, s. 20.512 (1)(jm). \$77,000 of the funding is one-time funding: \$63,900 for the project position (salary, fringe benefits) for 22 pay periods in FY99 and \$11,600 for the project position during 4 pay periods in FY 00, plus \$1,500 in supplies for FY 99. \$83,900 is for a permanent increase in the ongoing spending authority to support departmental training activities.

### REVENUE SOURCE FOR APPROPRIATION

The affected appropriation is s. 20.512 (1)(jm), "Employee Development and Training Services." The numeric appropriation is 133.

Revenues are derived from fees charged to state agencies whose employees take any of the courses offered through the Office of Employee Development and Training or one of the Divisions within DER. The project position would be funded (1) with \$60,000 provided by three state agencies which have agreed in advance to provide financial support for this one-time activity; and (2) the remainder from revenues generated through OEDT training courses. The increase in ongoing spending authority would be funded through fees charged for OEDT training courses or the other courses/services described in this request.



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S. 230.046 (10) (b) 3. authorizes the Department of Employment Relations to "charge fees to state agencies and local governmental units whose employees participate in employee development and training programs under this subsection." Nearly all of the revenues are derived from state agencies rather than local governmental units.

### **BACKGROUND**

S. 230.046 (10), Wis. Stats., authorizes the Department to conduct employee development and training programs and, in cooperation with appointing authorities, requires DER to coordinate state-sponsored employee development training programs. The Department is authorized to charge fees to state agencies whose employees participate in employee development and training programs.

The Employee Development and Training Services appropriation encompasses several training-related activities within the Department of Employment Relations:

- Office of Employee Development and Training (OEDT)
- State Employment Options (SEO)
- Advanced Labor Management (ALM) training offered through the Division of Collective Bargaining
- Recruitment and Selection training offered through the Division of Merit Recruitment and Selection
- Compensation training offered through the Division of Classification and Compensation

The training programs (as well as other expenses recorded in this appropriation) are described in Attachment I.

Funding for these programs is contained in alpha appropriation 20.512 (1) (jm) (numeric appropriation 133). Within the appropriation, expenditures and revenues are maintained separately for each subprogram.

The Department is submitting this request at this time because several circumstances have changed since DER's 1997-99 Biennial Budget request was submitted two years ago.

- The demands for program spending — and the availability of revenues — have increased beyond those levels expected in the Department's 1997-99 request. Additional training needs and requests have been identified.
- Spending and position authority for this appropriation was reduced during legislative consideration of the 1997-99 Biennial Budget.
- In December 1996, the Governor's Commission on State Human Resource Reform released its report, which contained several key recommendations regarding state training efforts. (See below.)

In general, this request is justified on the basis of the recommendations of the Governor's Commission on Reform of the Human Resource System, the need for strategic planning in the

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training area, the growing demand from state agencies for training provided by DER and the reduction in spending and position authority that was made during legislative action on the 1997-99 Biennial Budget.

The following are the major recommendations of the Governor's Commission related to training:

- DER should provide centralized coordination of statewide employee training.
- DER should create and encourage participation in a State Agency Training Council to advise the Secretary of DER about human resource training needs of state agencies and to develop standards for training programs. The Council should also explore consolidation of training programs and more efficient use of resources.
- DER should identify core skills needed by supervisors, managers and executives and develop training programs to address those skills.
- DER should develop an advanced management/supervisor training program on the latest trends in human resources area and an employee orientation program for new hires.
- The State Agency Training Council should create a program of leadership training regarding conflict resolution, consensus problem solving and team building.
- DER should provide consultation and technical assistance to small agencies in areas such as needs assessment, referrals to other agencies, and evaluation.

#### **COMPLIANCE WITH CRITERIA IN SS. 16.505 AND 16.515**

This request meets the criteria in ss. 16.505 and 16.515 as follows:

- I. The appropriation is insufficient to accomplish the purposes for which the appropriation was made. Without additional spending and position authority, the Department will be hampered in its ability to fulfill its statutory responsibility of coordinating state training programs and to offer quality training programs in an efficient way to meet the needs and demands of state agencies. It will be hampered in implementing the recommendations of the Governor's Commission on Reform of the Human Resource System.
- II. The appropriation must have sufficient revenues to support the increased funding. As shown in the letters included in Attachment II, the Department has received funding commitments from three state agencies for the project position. For the remaining portion of the request, the various training activities have generated or will generate sufficient revenues to support the increased spending authority.
- III. Purpose of spending increase must have been authorized by law or directed by the Legislature. As noted above, s. 230.046 (10)(b), Wis. Stats., gives the Department broad authority to conduct employee training and development services for state employees and to charge for those services.

#### **PURPOSE AND NEED FOR ADDITIONAL SPENDING AUTHORITY**

Segment I. 1.0 FTE PRO 12-month project position and \$77,000 PRO for salary, fringe benefits and supplies. This position will direct the development and implementation of a Strategic Plan for the Department's statewide training program by:

July 21, 1998

- a) Developing and implementing measurement devices to determine the quality and effectiveness of state training efforts;
- b) Reviewing alternative training methods that are complementary, more cost effective or enhancements on existing methods;
- c) Developing and implementing methodology to integrate training into the state's workforce;
- d) Creating a state learning plan that will include guidelines for state business practices and core competencies for employees;
- e) Developing a comprehensive education program for state managers that draws on existing resources from the University, the technical college system, and existing state managers;
- f) Developing ways to better serve small agencies and create a training clearinghouse function using electronic means;
- g) Ensuring the close collaboration between state agencies which results in effective and efficient training efforts statewide; and
- h) Directing the efforts of the State Training Council created on recommendation of the Commission on State Human Resource Reform. The Council would work in concert with the project position to achieve the goals stated in items (a) through (g) above.

In order to achieve these objectives, a high-level project position is required. Funding commitments from three agencies (along with regular training course revenues) will provide sufficient revenues to cover salary and fringe benefits, plus \$1,500 in supplies and services.

This appropriation currently authorizes only 1.0 FTE permanent position, but this position cannot be used for the activities listed above. The permanent position is needed for the following functions:

- Provide training instruction in Basic Supervisory Development and other courses offered by OEDT.
- Perform administrative tasks such as negotiating and scheduling classes with training providers and generally managing the training programs.
- Oversee LTE program support staff.

This position has been vacant for part of FY 98, in part because of the insufficient spending authority to fill it on a year-round basis.

Segment II. The remainder of the requested funding (\$83,900) is needed to allow the other training programs within this appropriation to fulfill program needs. In some cases, expenditures in FY98 have been constrained below optimum levels in order to stay within the overall authorized spending level. The Department was unable to plan or execute certain activities due to the low spending authority. Because the Department cannot predict how many vendor-taught courses will be held as scheduled, it must reserve sufficient spending authority to cover all scheduled courses until they are held or canceled. This situation has prevented the Department from sending DER staff who serve as instructors to their own training, and from hiring LTEs to provide clerical support for Office of Employee Development and Training.

The additional funding in this request will be used for the training activities listed below. Attachment III shows — for each program — the current budgeted amounts, FY98 expenditures and revenues and the revised budgets requested for FY99. Fees charged to training attendees will generate sufficient revenues to cover increased spending; if demand for a particular course or activity is insufficient, the training program will not be offered and no costs will be incurred.

- a) *The Advanced Labor Management (ALM) Program operated through the Division of Collective Bargaining:* interest and demand for labor-management training courses has increased. Expenditures for this program averaged only \$31,500 annually in the 1995-97 biennium. However, because of additional demand, FY98 expenditures will be around \$41,000. The Department expects that spending could be \$45,000 in FY99 if this request for increased spending authority is approved. In addition to the traditional five-day ALM course, state agencies have expressed an interest in more specialized, targeted courses on labor-management issues. For example, the Department is considering at least two sessions targeted to employees of the Departments of Correction and Revenue. Furthermore, the Department is planning three Labor Relations presentations to the Wisconsin Public Employment Labor Relations Association, an Executive Labor Relations program in Madison and a special Labor Relations Training Program at Chippewa Valley Technical College in Eau Claire. ALM revenues in FY98 are \$53,800, so there will be sufficient revenue to support the increased activity. Without additional spending authority, the Department will have to turn down requests for expanded training. The Department will also have to scale back on training and development for DER staff who conduct the ALM and other training courses.
- b) *The State Employment Options (SEO) program* is funded through an inter-agency contract with the Department of Workforce Development (DWD). The contracts allow for maximum expenditures for the 1997-98 and 1998-99 fiscal years of \$182,200 and \$188,800, respectively. These amounts are significantly higher than anticipated when DER prepared its 1997-99 Biennial Budget recommendations. Although annual expenditures have been less than these maximums, the existing overall spending authority for training appropriation 133 would prevent the SEO program from spending up to its authorized contract amount. The SEO program is evolving under the State's new W-2 policies. In order to respond to new demands and institute new program initiatives, the SEO program must have the flexibility to spend up to the amount authorized in its contract with DWD.
- c) *The Division of Merit Recruitment and Selection (DMRS)* has successfully developed and administered its Recruitment and Selection training to state agency supervisors and managers. Expenditures in the last two years have been \$4,100 (estimated) in FY98 and \$4,100 in FY97. The Division plans to offer this course three times per year at an average cost of approximately \$1,500. This requires an annual budget of \$5,000 in order to allow for unexpected cost increases. The limited spending authority for the training appropriation may prevent DMRS from providing these course offerings or meeting additional, but currently unidentified training needs. Revenues would be sufficient to cover these expenditures.



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d) The *Office of Employee Development and Training (OEDT)* provides two types of training to state employees:

- Basic Supervisory Development, which — by statute — all new supervisors must complete. This five-day course is taught by DER staff.
- OEDT contracts with private training vendors and other state agencies to provide general training courses to state employees in such areas as purchasing, communication skills, conflict resolution, leadership, team building and group relationships, stress management, presentation skills, customer and public relationships and time management.

The insufficient spending authority restricts the ability of OEDT to deliver its training programs. Since the Biennial Budget removed position authorization for all clerical support positions, the Department has had to utilize limited-term employees (LTE) or other Department staff to provide program support (handling class registrations and cancellations, preparing class handouts, accounts receivable and general office functions). Additional spending authority is needed to employ LTEs to provide essential program support.

The limited spending authority also restricts the amount that can be used for payments to training vendors. Because some scheduled classes are canceled due to low enrollment, the Department has been able to stay within its spending authority. However, if more classes are held as a result of the Department's strategic planning and marketing efforts, the spending authority would be insufficient to cover class costs. Thus, the Department would be forced to cancel classes on its own even though the demand and revenues exist.

- e) The *Division of Classification and Compensation* has recently begun offering training to state agency human resource staff and supervisors in the area of compensation administration and classification surveys. The motivation behind the training is the innovative broadband pay system that was revised and expanded during FY98 to include Senior Managers and represented and nonrepresented Information Technology employees. This new compensation system offers increased pay-setting discretion that involves taking into consideration a number of factors, including labor market information. Because of this expanded program and discretion, there is a growing need to keep employees updated and knowledgeable in these areas by providing relevant compensation-related training. Estimated training costs for FY99 are \$1,000.
- f) "*Special Projects*" is an administrative account set up within the training appropriation, which has grown in scope. Certain departmental non-training costs which are reimbursed by other state agencies and/or individuals are accounted for in appropriation 133. These costs are handled in this fashion because of accounting rules that prohibit the costs from being treated as "refunds of expenditures" and by the lack of any other program revenue appropriation in which to record them. These reimbursed expenditures

July 21, 1998

will exceed \$15,000 in FY98 — which reduces the amount of spending authority otherwise available for training programs. The Department is considering requesting creation of a special program revenue-service appropriation for these types of expenditures in the 1999-01 Biennial Budget.

### **URGENCY OF REQUEST**

The Department plans to submit a similar request for additional spending authority for this appropriation in its 1999-2001 Biennial Budget request. However, any additional spending authority granted through the next Biennial Budget is 12 months away. The additional spending authority is needed immediately in FY99 in order to:

- Authorize the project position to develop a Strategic Plan for state training programs and to assist in development of the Department's training request that will be included in the agency's 1999-2001 Biennial Budget recommendations. The 1999-2001 request will reflect long-term needs and objectives.
- Permit the provision of training regarding new compensation systems and labor-management issues that are of immediate concern in FY99.
- Allow sufficient spending authority to cover vendor-taught courses through OEDT.
- Provide sufficient LTE program support for OEDT as soon as possible.

### **CONTACT**

Bob Van Hoesen, Budget Officer  
Department of Employment Relations  
267-1003

### **ATTACHMENTS**

- I Description of Departmental Training Programs
- II Funding Commitment Letters from other State Agencies
- III Budgeted amounts, FY98 expenditures and revenues and revised budgets requested for FY99

## **ATTACHMENT I**

### **Description of Departmental Training Programs**

- The Office of Employee Development and Training (OEDT) is a functional unit of the Department of Employment Relations, organizationally located within the Division of Administrative Services. OEDT has responsibility for the formulation and implementation of policies for development and training of all civil service employees in state government. 1.0 FTE position is authorized.

The OEDT provides employee development and training services through a variety of human resource development programs. A major responsibility is to provide the statutorily required coordination and delivery of Basic Supervisory Training. This program focuses on the development of human management skills for all managers. A component of OEDT is Quality Improvement Training.

- State Employment Options (SEO) provides training to W-2 participants on employment opportunities in state civil service. 2.0 FTE positions are authorized for the SEO program, which is funded by the Department of Workforce Development via an inter-agency contract.
- Advanced Labor Management training (ALM) is a five-day course (officially titled "Advanced Certification Program in Labor Management Relations for State Managers") taught primarily by staff in DER's Division of Collective Bargaining (DCB). Revenues are used for the direct costs of the training (program materials, room rental, travel and lodging, etc.) and also to provide labor relations training and development to DCB staff.
- Recruitment and Selection Training is offered by the Division of Merit Recruitment and Selection for human resource and related staff. Revenues are used for the direct costs of the training (program materials, room rental, travel and lodging, etc.); after the payment of direct costs, revenues are split between the general training account (OEDT) and the DMRS account.
- The Division of Classification and Compensation has recently begun offering training to state agency human resource staff and supervisors in the area of compensation, administration and classification surveys in response to new compensation systems that offer increased pay-setting discretion.
- The Summer Affirmative Action Intern program coordinates placement of minorities, women and people with disabilities in LTE positions with state agencies. A training seminar is held annually for the participants, who pay fees to attend.
- "Special Projects" is an administrative account set up within the training appropriation to record certain departmental non-training costs which are reimbursed by other state agencies and/or individuals. These costs are handled in this fashion because of accounting rules that prohibit the costs from being treated as "refunds of expenditures" and by the lack of any other program revenue appropriation in which to record them.

July 21, 1998

**ATTACHMENT II**

Letters of funding commitment from the following state agencies:

Department of Health and Family Services  
Department of Commerce  
Department of Transportation



State of Wisconsin  
Department of Health and Family Services

Tommy G. Thompson, Governor  
Joe Lekan, Secretary



July 13, 1998

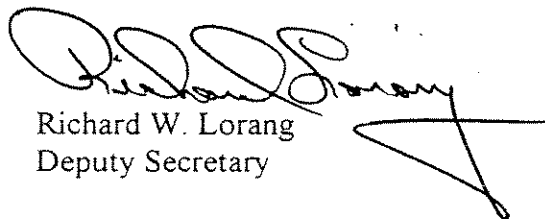
Jon E. Litscher  
Secretary  
Department of Employment Relations  
137 East Wilson Street  
Madison WI 53707-7855

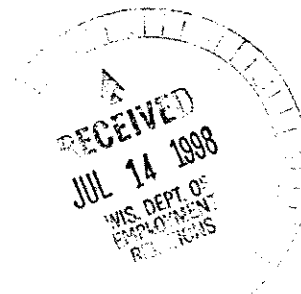
Dear Secretary Litscher:

This letter is to confirm the agreement between the Department of Health and Family Services and the Department of Employment Relations to assist in the funding of a project position which will direct the development and implementation of a State Strategic Plan for training pursuant to the recommendations of the Governor's Commission on State Human Resource Reform.

The Department of Health and Family Services commits to funding a portion of the project position for a period of not more than one year beginning August 1, 1998, through August 1, 1999. The amount of funding will not exceed \$20,000 and will be invoiced as agreed by the two agencies.

Sincerely,

  
Richard W. Lorang  
Deputy Secretary





P. O. Box 7970  
Madison, Wisconsin 53707  
(608) 266-1018

Tommy G. Thompson, Governor  
William J. McCoshen, Secretary

July 20, 1998

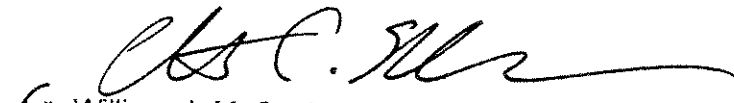
Jon E. Litscher, Secretary  
Department of Employment Relations  
137 E. Wilson Street  
Madison, WI 53707-7855

Dear Secretary Litscher:

This letter is to confirm the agreement between the Department of Commerce and the Department of Employment Relations to assist in the funding of a project position that will direct the development and implementation of a State Strategic Plan for training pursuant to the recommendations of the Governor's Commission on State Human Resource Reform.

The Department of Commerce commits to funding a portion of the project position for a period of not more than one year beginning August 1, 1998, through August 1, 1999. The amount of funding will not exceed \$20,000 and will be invoiced as agreed by the two agencies.

Sincerely,

  
for William J. McCoshen  
Secretary



## Wisconsin Department of Transportation



Tommy G. Thompson  
Governor

Charles H. Thompson  
Secretary

OFFICE OF THE SECRETARY  
P. O. Box 7910  
Madison, WI 53707-7910

July 7, 1998


Jon E. Litscher, Secretary  
Department of Employment Relations  
137 E. Wilson Street  
Madison, WI 53707-7855

Dear Secretary Litscher:

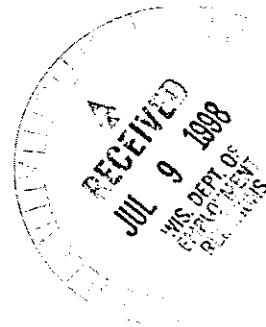
I am writing to confirm the agreement between the Department of Transportation and the Department of Employment Relations to assist in the funding of a project position, which will direct the development and implementation of a state strategic plan for training pursuant to the recommendations of the Governor's Commission on State Human Resource Reform.

The Department of Transportation commits to funding a portion of the project position for a period of not more than one year, beginning August 1, 1998, and ending August 1, 1999. The amount of funding will not exceed \$20,000.00 and will be invoiced as agreed by the two agencies.

Sincerely,

  
Charles H. Thompson  
Secretary

CHT:ck



### ATTACHMENT III

Training Program	Current Budget	FY 98 Expenditures	Revised Budget Requested for FY 99	FY 98 Revenues *	FY 99 Projected Revenues
Office of Employee Development and Training	\$ 123,700	\$ 113,829	\$ 245,400	\$ 148,482	\$ 250,000
Quality Improvement Training	10,000	5,642	500	-	-
State Employment Options	168,800	132,343	188,800	137,208	188,800
Advanced Labor Management	30,000	41,146	45,000	59,455	59,000
Summer Affirmative Action Intern Program Seminar	800	2,485	2,500	2,392	2,600
DMRS Recruitment & Selection Training	4,000	4,171	5,000	4,606	5,500
Classification and Compensation Training	-	-	1,000	-	1,100
Special Projects	5,000	15,210	15,000	15,777	15,000
Total	\$ 342,300	\$ 314,826	\$ 503,200	\$ 367,920	\$ 522,000

\* Outstanding accounts receivables have been added to FY 98 revenues  
Excludes amounts collected in FY 98 for courses/services provided in FY 97.



Attachment IV

**A. Revenue and Expenditure Balance Sheet**

	FY 98	Estimated FY 99	Estimated FY 00 as of July 1998
OPENING BALANCE			
PROGRAM REVENUES (accrual basis including accounts receivables)	35,200	90,239	104,660
TOTAL AVAILABLE REVENUE	367,920	522,000	471,240
EXPENDITURES (excludes projected pay increases for FY 99 & FY 00)	403,120	612,239	575,900
RESERVES FOR EMPLOYEE PAY INCREASES IN FY 99 & FY 00	312,881	501,600	444,256
CLOSING BALANCE	90,239	104,660	127,646

**B. Actual FY Reve (cash basis excluding accounts receivable)**

FY 97	290,046
FY 98	298,178
FY 99	385,407
FY 99	522,000 (projected)

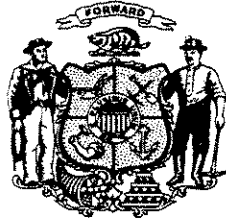
**C. Itemized Sources of Revenues (accrual basis)**

	FY 98	Estimated FY 99
OEDT & QI (training course fees, plus \$60,000 from other agencies in FY 99)	\$ 148,482	\$ 250,000
SEO Program (grant contract with DWD)	137,208	188,800
Advanced Labor Management (training course fees)	59,455	59,000
SAAIP Conference (Conference registration fees from attendees)	2,392	2,600
Personnel Training (training course fees)	4,606	5,500
Classification & Compensation (training course fees)	-	1,100
Special projects (reimbursement or cost sharing from individuals or state agencies)	15,777	15,000
<b>TOTAL \$</b>	<b>367,920 \$</b>	<b>522,000</b>

# THE STATE OF WISCONSIN

SENATE CHAIR  
TIMOTHY WEEDEN

1 East Main Street  
Room 203  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-2253



ASSEMBLY CHAIR  
JOHN GARD

State Capitol  
315 North  
P.O. Box 8952  
Madison, WI 53707-8952  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

*Concluded 6-27-98*

**Date:** August 20, 1998

**To:** State Agency Heads

**From:** Senator Timothy Weeden, Co-Chair  
Representative John Gard, Co-Chair  
Joint Committee on Finance

**Subject:** September Meeting of the Joint Committee on Finance under s. 13.10

The Joint Committee on Finance has tentatively scheduled its next quarterly meeting under s. 13.10 for 1:30 p.m., Thursday, September 24, 1998, on the First Floor of 119 Martin Luther King, Jr. Blvd.

All agency requests and reports for consideration at the meeting should be addressed to the Joint Committee on Finance Co-Chairs. Send two copies of all requests and reports directly to the Joint Committee on Finance Co-Chairs, two copies of all requests and reports directly to the Legislative Fiscal Bureau, and the **original plus 40 copies** to the attention of Dan Caucutt, the committee's secretary for s. 13.10 actions, in the Division of Executive Budget and Finance, 10th Floor, Administration Building, 101 E. Wilson Street.

Agency requests must be received by 4:00 p.m., Wednesday, September 2, 1998. Late requests will not be accepted.

Requests should indicate who will represent the agency at the meeting, and it is suggested that this general format be followed as requests are prepared:

Brief Summary of Request  
Background of Request  
How Request Meets Statutory Criteria [see s. 13.101(3) and (4)]

cc: Agency Budget Contacts  
Bob Lang



STATE OF WISCONSIN  
DEPARTMENT OF VETERANS AFFAIRS



30 West Mifflin Street, P.O. Box 7843, Madison, WI 53707-7843  
(608) 266-1311 FAX (608) 267-0403  
1-800-947-8387 (WIS VETS)  
Tommy G. Thompson, Governor  
Raymond G. Boland, Secretary

*Sent to wrong  
place  
Raising of funds  
taken care of*

August 21, 1998

The Honorable Timothy L. Weeden  
Chairman, Joint Committee on Finance  
Room 305  
Martin Luther King Jr. Boulevard  
P.O. Box 7882  
Madison, WI 53707

Dear Senator Weeden:

The Wisconsin Department of Veterans Affairs (WDVA) provides payments to health care providers for dental care under the Health Care Aid Grant Program (HCAG). Needy veterans and their dependents are eligible. Under VA 2.01(2)(b)2., Wisconsin Administration Code, the department is restricted on the payment for dental care to a maximum amount of \$50,000.00 per fiscal year.

The primary reason for establishment the cap was to set a limit on the amount of trust fund dollars that could be expended annually for this purpose. The amount of the trust fund dollars allocated for the entire HCAG this fiscal year is \$915,000.00. The \$50,000.00 cap for dental treatment equates to almost 5.5% of the total amount. Recently, in discussions with the CVSO Advisory Council and the CVSO Association, dialog suggested the dental care cap was too low. Accordingly, a focus group with CVSO representation was convened to develop recommendations on the maximum amount of the cap. In essence, the focus group recommends that the amount of the cap for dental treatment be set at 25% of the total amount appropriated for the HCAG. For this fiscal year the amount would equate to \$228,750.00.

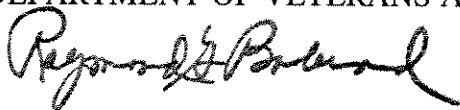
Given the increased expenditure for dental care, it is reasonable to presume that the HCAG program will experience a fund outage before the end of the fiscal

year if the above changes are implemented in the total HCAG appropriation be increased to \$1,093,750.00 to accommodate the increase in the dental cap.

Accordingly, the department desires to introduce an administrative rule change that will raise the current HCAG cap for dental treatment to 25% of the total amount appropriated annually for that purpose. Further, the department desires to have the rule change entered under the "emergency rule" provision in order to alleviate the negative impact that a delay will have on the health concerns of Wisconsin Veterans.

Thank you for your continued advocacy. If you have any questions or need additional information, please contact John A. Scocos at 266-3081.

Sincerely,  
DEPARTMENT OF VETERANS AFFAIRS



RAYMOND G. BOLAND  
Secretary

What is  
rule change  
connection?  
intention to do  
Adm rule office  
13.10.